

CITY MARSHAL OF SLIDELL

**Financial Statements as of December 31, 2012
and for the Year Then Ended
and Independent Accountants' Review Report
and Required Supplementary Information**

CITY MARSHAL OF SLIDELL

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Certified Public Accountants & Consultants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Honorable Wyatt Williams, Marshal
City Marshal of Slidell
Slidell, Louisiana

We have reviewed the accompanying financial statements of the governmental activities of the City Marshal of Slidell (the Marshal) as of December 31, 2012 and for the year then ended, and the related notes to financial statements, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the City Marshal of Slidell. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the City Marshal of Slidell is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison schedule on pages 3 through 5 and 19, respectively, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed

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the supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the *Louisiana Government Audit Guide* and the provisions of state law, we have issued a report dated June 27, 2013 on the results of our agreed-upon procedures for compliance with laws and regulations.

Silva Gurtner & Abney, LLC

June 27, 2013

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Management's Discussion and Analysis (MD&A) is a required element of the reporting model adopted by the Governmental Accounting Standards Board in their Statement No. 34. Its purpose is to provide an overview of the financial activities of the City Marshal of Slidell's (the Marshal's) office based on currently known facts and decisions of conditions. Please read it in conjunction with the Marshal's financial statements, which begin on page 6.

The basic financial statements include government-wide and general fund financial statements. The government-wide Statement of Net Position and Statement of Activities and Changes in Net Position present information for all of the activities of the Marshal's office, from an economic resources measurement focus using the accrual basis of accounting. Primarily for our office, the difference between these statements and general fund financial statements is that assets are capitalized and depreciated over their estimated useful life versus expensed in the general fund financial statements. The Balance Sheet – General Fund details the assets and liabilities of the general fund while the Reconciliation of the Balance Sheet – General Fund to the Statement of Net Position reflects the differences from the amounts reported in the Statement of Net Position. The Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund reflects the current year receipt and disbursement of funds, and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund to the Statement of Activities reflects the differences in the changes in fund balance to the changes in net position of the government activities. The differences between the adopted budget and the actual activities are reflected in the Budgetary Comparison Schedule – General Fund.

The Marshal is an independent elected official. However, since the Marshal's office is dependent on the City of Slidell to provide office space, a courtroom and related utility costs, as well as reimbursements of a portion of its salaries expenditures, the Marshal is determined to be a component unit of the City of Slidell. The accompanying financial statements only present information for the funds maintained by the Marshal.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION

Our analysis of the funds maintained by the Marshal as a whole begins on page 6. The Statement of Net Position and Statement of Activities and Changes in Net Position report information about the funds maintained by the Marshal as a whole and about its activities in a way which helps answer one of the most important questions asked about the Marshal's finances, "Is the Marshal, as a whole, better off or worse off as a result of the year's activities?" These statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when the cash was received or paid.

These two statements report the Marshal's net position and the changes in net position. Net position, the difference between the assets and deferred outflows and the liabilities and deferred inflows, is one way to measure the Marshal's financial health and, over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating.

The funds maintained by the Marshal are recorded as governmental activities in the Statement of Net Position and Statement of Activities and Changes in Net Position.

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

All of the expenses paid from the funds maintained are reported here as governmental activities and consist primarily of salaries and benefits, fees paid, office expenses, contract services, memberships and educational conferences. Court costs and fees and contributions from the City of Slidell finance most of the activities of the Marshal.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. The Marshal's total net position from a year ago decreased from \$305,413 to \$248,702.

The Marshal's office at December 31, 2012 and 2011 had \$123,461 and \$154,751 in cash on hand, respectively, and \$103,812 in investments for both years. As of December 31, 2012 and 2011, the Marshal had net capital assets of \$20,282 and \$36,961 with total assets being \$264,237 and \$333,470, respectively. As of December 31, 2012 and 2011, this office has no long term debt and had current liabilities of \$15,535 and \$28,057, respectively.

Total revenue for the Marshal's office decreased from \$379,709 in 2011 to \$369,254 in 2012 due to a decline in agency fees received from the Slidell City Court.

Expenditures, excluding depreciation expense of \$16,679 for 2012 and \$25,615 for 2011, decreased from \$463,201 in 2011 to \$420,069 in 2012 due to a decrease in salaries and payroll expenses.

FUND FINANCIAL STATEMENTS

The focus of the fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending. The general fund reported combined ending fund balances of \$241,743.

CAPITAL ASSETS

Major asset disposals for the year ended December 31, 2012 reflected the removal of retired automobiles, no longer in use by the Marshal's office. Major asset additions for the year ended December 31, 2011 consisted of the purchase of a database.

GENERAL FUND BUDGETARY HIGHLIGHTS

Unfavorable variance in revenues of \$3,746 in 2012 was due primarily to a cut in agency fee revenue received from the Slidell City Court. The unfavorable variance for expenditures of \$18,444 was the result of an increase in salaries and payroll expenses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Marshal considered many factors when setting the operating budget for the year ended December 31, 2013. The Marshal anticipates a decline in revenues to \$344,500 in 2013, while anticipated expenditures are expected to be approximately \$342,750. The Marshal expects to make cuts across all expenditure classes.

**CITY MARSHAL OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CONTACTING THE MARSHAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the funds maintained by the Marshal and to show the accountability for the money it receives. If you have any questions or need additional information, contact the Marshal's office at P.O. Box 2356, Slidell, Louisiana 70459.

**CITY MARSHAL OF SLIDELL
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2012**

ASSETS

Cash and cash equivalents	\$ 123,461
Investments	103,812
Due from other governmental agencies	11,441
Prepaid expenses	5,241
Capital assets, net	<u>20,282</u>

TOTAL ASSETS 264,237

LIABILITIES

Accounts payable and accrued liabilities	2,212
Compensated absences payable	<u>13,323</u>

TOTAL LIABILITIES 15,535

NET POSITION

Invested in capital assets, net	20,282
Unrestricted	<u>228,420</u>

TOTAL NET POSITION \$ 248,702

See accompanying independent accountants' review report and notes to financial statements.

CITY MARSHAL OF SLIDELL
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

		<u>PROGRAM REVENUES</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants</u>	<u>Net Revenues (Expenses)</u>
EXPENSES				
Public safety	<u>\$ 425,965</u>	<u>\$ 351,748</u>	<u>\$ -</u>	\$ (74,217)
GENERAL REVENUES				
Other income				1,693
Bond forfeiture judgments				<u>15,813</u>
Total general revenues				<u>17,506</u>
CHANGE IN NET POSITION				(56,711)
NET POSITION - Beginning of year				<u>305,413</u>
NET POSITION - End of year				<u>\$ 248,702</u>

See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
BALANCE SHEET – GENERAL FUND
AS OF DECEMBER 31, 2012**

ASSETS

Cash and cash equivalents	\$ 123,461
Investments	103,812
Due from other governmental entities	11,441
Prepaid expenses	<u>5,241</u>

TOTAL ASSETS	<u><u>\$ 243,955</u></u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable and accrued liabilities	\$ 2,212
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FUND BALANCE

Nonspendable	
Prepaid expenses	5,241
Unassigned	<u>236,502</u>

TOTAL FUND BALANCE	<u>241,743</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 243,955</u></u>
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See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
RECONCILIATION OF THE BALANCE SHEET – GENERAL FUND
TO THE STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2012**

FUND BALANCE - Total general fund \$ 241,743

Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial
resources, and therefore, are not reported in the funds.

Governmental capital assets	\$ 115,794	
Less accumulated depreciation	<u>(95,512)</u>	20,282

Compensated absences used in governmental activities
are not financial uses, and therefore, are not reported in
the funds.

Compensated absences		<u>(13,323)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 248,702</u></u>
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See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

REVENUES

City Court of Slidell fees	\$ 242,363
City of Slidell fees	72,170
Sheriff's Office fees	26,000
Fingerprint fees	11,215
Other income	1,693
Bond forfeiture judgments	<u>15,813</u>
 Total revenues	 369,254

EXPENDITURES

Salaries	296,607
Payroll taxes	6,022
Deferred compensation plan	17,320
Telephone	11,425
Automobile	15,826
Retirement fund	12,804
Professional fees	7,945
Insurance	32,714
Contract labor	6,510
Materials and supplies	<u>12,896</u>
 Total expenditures	 <u>420,069</u>

DEFICIENCY OF REVENUES OVER EXPENDITURES	(50,815)
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FUND BALANCE - Beginning of year	<u>292,558</u>
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FUND BALANCE - End of year	<u><u>\$ 241,743</u></u>
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See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

NET CHANGE IN FUND BALANCE - Total general fund	\$ (50,815)
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Amounts reported for governmental activities in the statement
of activities and changes in net position are different because:

General fund reports capital outlays as expenditures. However, in the statement of activities and changes in net position, the costs of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(16,679)
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General fund reports compensated absences as expenditures when the amount is paid. In the statement of activities and changes in net position, the net accretion is reported as an expense.	<u>10,783</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (56,711)</u></u>
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See accompanying independent accountants' review report and notes to financial statements.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City Marshal of Slidell (the Marshal) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the governmental entity's accounting policies are described below.

Reporting Entity – As provided by Chapter 3 of Title 33 of the Louisiana Revised Statutes of 1950, the voters of St. Tammany Parish elect the City Marshal of Slidell for a term of six years.

For reporting purposes, the Marshal is a stand-alone entity as defined by GASB 14 *The Financial Reporting Entity* as amended by GASB 61 *The Financial Reporting Entity: Omnibus*. The Marshal is neither fiscally dependent on any other local government, nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements of the Marshal.

Basic Financial Statements – Government-Wide Statements – The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. There were no activities of the Marshal categorized as business-type activities.

In the government-wide statement of net position, the governmental activity column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net position is reported in two parts: invested in capital assets, net of related debt and/or accumulated depreciation; and unrestricted net position.

The government-wide statement of activities and changes in net position reports both the gross and net cost of the Marshal's function. The statement of activities and changes in net position reduces gross expenses by related program revenues, operating and capital grants.

Program revenues must be directly associated with the function. These revenues are derived from fees charged for services. Operating grants include operating-specific and discretionary grants (either operating or capital) while capital grants reflect capital-specific grants.

The net costs (by function) are normally covered by general revenue (interest and investment earnings, etc.). The Marshal does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net position resulting from the current year's activities.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements. The funds and account groups used by the Marshal are as follows:

General Fund – The general fund is that through which general governmental functions of the Marshal are financed. The acquisition, use, and balances of the Marshal's expendable financial resources and the related liabilities are accounted for through general funds. The general fund is the principal fund of the Marshal. General operating expenditures are paid from this fund.

Basis of Accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All general funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The operating statement of the fund presents increases (i.e., revenues and other sources) and decreases (i.e., expenditures and other uses) in net current assets.

Basis of Presentation – The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Revenues of the Marshal consist principally of fines and fees for services relating to court filings. Any interest income is recorded when earned. Fines and fees for services are recorded when received in cash because they are generally not measurable until actually received.

The modified accrual basis of accounting is used by all general fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt is recorded as fund liabilities when due. As of December 31, 2012, the Marshal holds no debt.

The revenues of the Marshal, susceptible to accrual, are fees due from the City of Slidell and other governmental units, and fees charged for wage garnishments. Substantially all other revenues are recorded when received. Capital assets, including related depreciation, and compensated absences are not recognized in the general fund financial statements.

Fund Balance – On January 1, 2011, the Marshal adopted GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the reporting of fund balance in the balance sheets of governmental and general type funds. In fund financials, fund balance for general funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Marshal is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Marshal to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Marshal. Those committed amounts cannot be used for any other purpose unless the Marshal removes or changes the specified use by taking the same type of action (ordinance or resolution) employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the Marshal's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – This component consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unassigned resources are available for use, the Marshal uses restricted resources first, then unassigned resources (committed, assigned and unassigned) are available for use.

The Marshal did not have restricted, committed or assigned net assets as of December 31, 2012.

Net Position – On December 31, 2012, the Marshal adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. GASB Statement No. 63 requires that deferred outflows of resources should be reported in a statement of net position in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities. The statement of net assets is renamed the statement of net position and includes four components of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provision of this statement is effective for financial periods beginning after December 31, 2011. During 2012, the Marshal adopted the statement and restated balances previously referred to as net assets as net position.

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components – *invested in capital assets, net of related debt* consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; *restricted* distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, and *unrestricted* consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of invested in capital assets, net of related debt or the restricted component of net position.

Use of Estimates – The preparation of the Marshal's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets, deferred outflows, liabilities, and deferred inflows as of December 31, 2012.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Adjustments to the reported amounts of assets, deferred outflows, liabilities, and deferred inflows may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2012 financial statements.

Budget and Budgetary Accounting – Formal budgetary accounting is employed as a management control device during the year for the general fund. The budget is adopted for the general fund on a basis consistent with generally accepted accounting principles (GAAP).

Cash and Cash Equivalents – Cash and cash equivalents include amounts in demand deposits and certificates of deposits with a maturity of three months or less, if any.

Investments – Investments includes certificates of deposits with a maturity of 12 months or less. Investments are held at a national bank having principal offices in the State of Louisiana.

The Marshal is authorized to invest (1) in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-RS 39:1271, or any other federally insured investments, or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the U.S. Government or its agencies.

Capital Assets – Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements, or other capital outlays that significantly extend the useful life of an asset are capitalized. It is the Marshal's policy to capitalize expenditures for items in excess of \$1,000 with a useful life of at least three years. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Automobiles	5	years
Furniture and equipment	5 to 10	years

Allowance for Uncollectible Receivables – The financial statements for the Marshal contain no allowance for uncollectible receivables. Uncollectible receivables (including amounts due from other governmental agencies) are recognized as uncollectible receivables at the time the information becomes available which would indicate the uncollectibility of the particular receivable. Use of this method does not result in a material difference from the valuation method required by generally accepted accounting principles.

Prepaid Expenses – Prepaid expenses represent the unused portion of insurance policies in effect at the balance sheet date.

NOTE B – DUE FROM OTHER GOVERNMENTAL AGENCIES

Included in accounts receivable are amounts due from two governmental agencies for a portion of agency fees that are associated with tickets written by the Sheriff's Department through the City Court of Slidell. As of December 31, 2012, the balance in the account was \$11,441.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE C – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended December 31, 2012:

	Beginning Balance	Additions	Deletions	Ending Balance
Cost				
Automobiles	\$ 160,520	\$ -	\$ (64,298)	\$ 96,222
Furniture and equipment	19,572	-	-	19,572
Total	180,092		(64,298)	115,794
Accumulated depreciation				
Automobiles	139,851	12,982	(64,298)	88,535
Furniture and equipment	3,280	3,697	-	6,977
Total	143,131	16,679	(64,298)	95,512
Capital assets, net	\$ 36,961	\$ (16,679)	\$ -	\$ 20,282

NOTE D – DEFERRED COMPENSATION PLAN

The Marshal's office offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. Annual contributions to the Plan may not exceed the lesser of 100% of participant compensation or \$17,000. Additionally, participants age 50 years or older may elect to defer an additional \$5,000.

During the three calendar years ending prior to normal retirement age, as defined by the Plan, participants may be eligible to contribute "catch-up" amounts not to exceed amounts permitted by the Internal Revenue Code. Salaries of employees participating in the Plan for the years ended December 31, 2012, 2011, and 2010 totaled \$296,607, \$310,193, and \$273,445, respectively. The Plan requires that the minimum contribution is equal to the current employee's withholding rate for social security. The employer's contributions for the years ended December 31, 2012, 2011, and 2010 were \$17,320, \$18,010, and \$15,780, respectively, and the employee's contributions were \$24,130, \$24,130, and \$21,120, respectively. Employee contributions are made as non-taxable payroll deductions.

All amounts of the compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or beneficiary) are solely the property and rights of the Marshal (without being restricted to the provisions of benefits under the Plan), subject only to the claims of the Marshal's general creditors. Participants' rights under the Plan are equal to those of general creditors of the Marshal in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Marshal's legal counsel that the Marshal has no liability for losses under the Plan, but does have the duty of due care that would be required of an ordinary prudent investor. The Marshal believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Accordingly, the Plan's assets and related liabilities have not been included herein.

**CITY MARSHAL OF SLIDELL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Investments are managed by the Plan's administrator (Louisiana Deferred Compensation Commission). The choices of the investment option(s) are made by the Plan participants.

NOTE E – COMPENSATED ABSENCES

The Marshal's full-time and part-time employees receive one week of annual paid leave upon completion of one year of employment. Annual paid leave may be accumulated up to 120 hours. Annual leave vests with the employee, and therefore, has been accrued. The amount of accumulated unpaid leave at December 31, 2012 was \$13,323.

NOTE F – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 27, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY MARSHAL OF SLIDELL
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
City Court of Slidell fees	\$ 270,000	\$ 270,000	\$ 242,363	\$ (27,637)
City of Slidell fees	65,000	65,000	72,170	7,170
Sheriff's Office fees	24,000	24,000	26,000	2,000
Fingerprint fees	10,000	10,000	11,215	1,215
Other income	-	-	1,693	1,693
Bond forfeiture judgments	4,000	4,000	15,813	11,813
Total revenues	373,000	373,000	369,254	(3,746)
EXPENDITURES				
Salaries	285,000	285,000	296,607	(11,607)
Payroll taxes	4,500	4,500	6,022	(1,522)
Deferred compensation plan	18,000	18,000	17,320	680
Telephone	11,000	11,000	11,425	(425)
Automobile	-	16,000	15,826	174
Retirement fund	-	22,000	12,804	9,196
Professional fees	7,500	7,500	7,945	(445)
Insurance	30,000	30,000	32,714	(2,714)
Dues and subscriptions	125	125	-	125
Contract labor	7,500	7,500	6,510	990
Materials and supplies	9,000	9,000	12,896	(3,896)
Capital outlay	-	-	-	-
Total expenditures	372,625	410,625	420,069	(9,444)
Deficiency of revenues over expenditures	375	(37,625)	(50,815)	5,698
FUND BALANCE - Beginning of year	445,068	445,068	292,558	(152,510)
FUND BALANCE - End of year	\$ 445,443	\$ 407,443	\$ 241,743	\$ (146,812)

See accompanying independent accountants' review report.

OTHER INDEPENDENT ACCOUNTANTS' REPORT



Certified Public Accountants & Consultants

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES FOR COMPLIANCE
WITH LAWS AND REGULATIONS**

Honorable Wyatt Williams, Marshal
City Marshal of Slidell
Slidell, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the City Marshal of Slidell (the Marshal) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Marshal's compliance with certain laws and regulations during the year ended December 31, 2012, included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

The Marshal did not purchase any items exceeding \$20,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member (the Marshal) as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Marshal and his employees, as well as their immediate families.

The Marshal provided us with the required list including the noted information.

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Mandeville, LA 70448
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900 Village Lane
P O Box 50, Pass Christian, MS 39571
(985) 626-8299 (O) • (985) 626-9767 (F)

Limited Liability Company
www.silva-cpa.com

3. Obtain from management a listing of all employees paid during the period under examination.

The Marshal provided us with the required listing.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list provided by the Marshal in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The Marshal provided us with a copy of the original budget and the amended final budget.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues and expenditures did not exceed the budgeted amounts by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- a) Trace payments to supporting documentation as to proper amount and payee;

All of the selected payments were for the proper amount and made to the correct payee.

- b) Determine if payments were properly coded to the correct fund and general ledger account; and

All of the selected payments were properly coded to the correct fund and general ledger account.

- c) Determine whether payments received approval from proper authorities.

All of the selected payments received approval from proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Not applicable.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

No deposits appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

No indication that payments to employees would constitute bonuses, advances, or gifts in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729 were noted.

Prior Comments and Recommendations

Our prior year report, dated June 15, 2012, did not include any comments or unresolved matters.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the City Marshal of Slidell and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

June 27, 2013

**CITY MARSHAL OF SLIDELL
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Financial Statement Findings

No findings noted for the year ended December 31, 2012.

Part II – Internal Control and Compliance

No findings noted for the year ended December 31, 2012.

**CITY MARSHAL OF SLIDELL
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Financial Statement Findings

No findings noted for the year ended December 31, 2011.

Part II – Internal Control and Compliance

Finding 2011-01

Condition: City Marshal of Slidell did not comply with Local Government Budget Act LSA-RS 39:1311.

Recommendation: City Marshal of Slidell should amend the budget when it is known that an amendment is necessary.

Management’s corrective action plan or current status: Management reviewed the budget and took corrective action in the current year to comply with Local Government Budget Act LSA-RS 39:1311.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)
6/25/2013 (Date Transmitted)

Silver, Gantner & Alamy, LLC

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

_____	Secretary	_____	Date
_____	Treasurer	_____	Date
<u>Wyatt Williams</u>	President	_____	Date